

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, March 18, 2013, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 400
Green Bay, WI 54301

MEMBERS PRESENT: Tom Diedrick–Chair, Ann Hartman, Sup. Andy Nicholson, Corday Goddard

MEMBERS EXCUSED: Rich Aicher-Vice Chair

OTHERS PRESENT: Rob Strong, Robyn Hallet, Ben Fauske, Matt Roberts, Pat Leifker, DonElla Payne, Dawn DeWitt, Randy Gast, John Heugel

APPROVAL OF MINUTES:

1. Approval of the minutes from the February 18, 2013, meeting of the Brown County Housing Authority

A motion was made by Sup. A. Nicholson and seconded by A. Hartman to approve the minutes from the February 18, 2013, Brown County Housing Authority meeting. Motion carried.

STAFF REPORT:

12. Introduction of new commissioner

Everyone in attendance introduced themselves. R. Hallet introduced C. Goddard as a new commissioner to the BCHA. She stated that he is the Assistant Dean for Student Development at St. Norbert College and has been involved with Ecumenical Partnership for Housing. C. Goddard expressed his interest in the area of housing and his appreciation for the opportunity to be on the BCHA. Everyone welcomed him.

COMMUNICATIONS:

2. FSS reprocessing award notification from HUD dated February 19, 2013

R. Hallet explained that HUD has completed the reprocessing of the FSS funding that was previously awarded and as a result, there is no change to the FSS Coordinator funding the BCHA was previously awarded. We will continue to receive the total amount of \$135,462 to fund three positions.

3. PBCA NOFA status update posted February 20, 2013

R. Hallet explained she chose to share this notice to give Commissioners an update on the Project Based Contract Administration NOFA that BCHA had applied for in conjunction with Nan McKay & Associates and LOMOD many months ago. As this notice indicates, there has been no resolution yet to the suspension of awarding the NOFA. This notice indicates that the courts would make a determination regarding this issue before the end of June. It is unknown how much longer after that time before housing authorities would receive information regarding the status of their application.

4. HAIG dividend notification dated February 20, 2013

R. Hallet explained that BCHA has received a Supplemental Dividend of \$530.90 from Housing Authority Insurance Group for 2011.

5. HUD Sequestration letters dated February 25 and March 7, 2013, regarding cuts to the 2013 budget and HCV Program

R. Hallet stated that the BCHA has received two letters from HUD regarding sequestration: the first one was to notify housing authorities of potential funding cuts due to the impending sequestration. The subsequent letter explained that sequestration had in fact been ordered as of March 1 and, as a result, there would be cuts to both the Housing Assistance Payment funding, as well as Administrative funds. R. Hallet stated the impact of this would be discussed in further detail with Agenda Item #10.

REPORTS:

6. Report on Housing Choice Voucher Rental Assistance Program

A. Preliminary Applications

P. Leifker reported that there were 123 preliminary applications for February 2013.

B. Unit Count

P. Leifker reported that the unit count for February 2013 was 3,064.

C. Housing Assistance Payments Expenses

P. Leifker stated that the HAP expense for February 2013 was \$1,213,860.

D. Housing Quality Standard Inspection Compliance

M. Roberts reported that there were 440 inspections for February 2013. Of those, 57.73% passed the first inspection, 18.41% passed their reevaluation inspection, and 23.86% failed their inspection.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)

D. DeWitt reported that there were 261 port-outs with an associated HAP expense of \$215,150. She also reported that ICS underspent by \$1,220 in February 2013, and FSS was underspent by \$3,055.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)

D. Payne reported that there were 96 FSS clients in February 2013, 34 of them had an escrow account, and there were no graduates, 7 new contracts, and 73 homeowners.

G. VASH Reports (active VASH, new VASH)

D. Payne reported that there were 19 VASH clients for February 2013 and no new VASH clients.

H. Langan Investigations Criminal Background Screening and Fraud Investigations

P. Leifker reported that there were 9 new investigations assigned in February 2013, 6 of which were closed and 3 remained active. Of the 178 new applications processed, one was denied. There was one addition to household background check completed in February.

There was discussion regarding the 5-page report listing the addresses of all of the new application background checks. The Commissioners agreed that this level of detail was no longer necessary and instead a report that indicated how many applicants passed or failed the background check in each municipality would be sufficient.

I. Reasons for Background Screening Denials

P. Leifker reported that there were no background screenings this month that were denied by Langan which had not been previously caught by ICS, so there is nothing new to report.

OLD BUSINESS:

7. Discussion and possible action regarding the final version of ICS HCV contract

T. Diedrick introduced this topic, giving background regarding the progress toward finalizing a contract extension. R. Hallet explained that the agenda packet contained the version of the contract extension that was available at the time the agenda was distributed; however, since then it has had further modifications, so the version which was passed out at the meeting is what is hoped will be the final version to be approved today.

R. Gast expressed appreciation for the collaboration in working on this extension and reviewed some of the main points of this new contract. This agreement, referred to as the 2014 Agreement, begins when the 2013 one-year extension expires at the end of December 2013 and continues through December 31, 2015. In Section #5, the Agreement states that at the beginning of each year ICS will transfer to BCHA any HCV funds not disbursed by ICS. Section #6 explains the new payment arrangement, which consists of ICS providing BCHA with an annual budget for approval; BCHA will pay ICS two months' worth of the approved budget for the first month of the Agreement so ICS has funds available to pay their expenses. Thereafter, ICS will provide to BCHA monthly reimbursement requests based on actual expenditures, and BCHA will reimburse ICS expenditures in compliance with the approved budget. The Agreement contains Exhibit A which lists several efforts expected to be taken to provide respectful service to the public, to be vigilant in combating fraud and abuse, and to provide for BCHA oversight. Exhibit B outlines additional obligations regarding access to financial information and data, ICS HCV budget and financial accountability, ICS HCV staffing and compensation levels, software data ownership, and joint ICS/BCHA meetings. R. Gast explained that the final signed version would also contain the ICS organizational chart as Attachment B-1 and ICS compensation ranges per position as Attachment B-2.

T. Diedrich asked Sup. A. Nicholson if he thought that the County Board would be satisfied with this Agreement. Sup. A. Nicholson responded that he did; however, he would request that at the end of this 2014 Agreement that an RFP be conducted to allow other entities an opportunity to submit a proposal to administer the program.

A motion was made by Sup. A. Nicholson and seconded by C. Goddard to approve the final version of the ICS HCV Contract, with the addition of an RFP to be conducted for the administration of the HCV Program before this contract expires. Motion carried.

8. Discussion and possible action regarding BCHA conversion loan repayment

R. Hallet reminded commissioners that this item was discussed at the February 2013 meeting, at which time the Authority agreed that staff would work with the homeowner regarding a repayment agreement for the portion of the BCHA loan which would not be paid off in the short sale. She reiterated that the loan was for a total of \$5,000, of which \$2,500 would be paid off with the short sale. R. Hallet explained that she has been in discussions with S. Schoeneman at NeighborWorks regarding the repayment agreement. The contract for NeighborWorks' administration of this program states that repaid loans would be collected by NeighborWorks to make new loans available to new homebuyers. Therefore, it was agreed that NeighborWorks would arrange and sign the repayment agreement with the family and would also collect the payments. As of R. Hallet's most recent discussions with NeighborWorks, the amount of the monthly repayment hadn't yet been determined, but it was expected to be approximately \$50 per month.

The closing on the short sale was to be March 20, but it has since been postponed to an undetermined date in April.

A motion was made by Sup. A. Nicholson and seconded by A. Hartman to approve the above explained arrangement. Motion carried.

9. Discussion and possible action regarding port-outs

D. DeWitt and P. Leifker explained the financial impact that vouchers which are ported out of Brown County have on the HCV Program. When a voucher is ported out, the receiving housing authority can choose to absorb the client into their program by issuing the family their own voucher or they can choose to bill the initial housing authority for the cost of the voucher. If a housing authority is not issuing vouchers, then they do not absorb vouchers either, so many housing authorities, especially those in large urban areas where there is a long or closed waiting list, bill ICS for the voucher that was ported there. The problem with this is two-fold. Compared to Brown County, the housing cost in many of the areas families choose to port to is much higher; therefore, we are often paying a much larger Housing Assistance Payment for the ported out voucher. In addition, the initial housing authority only retains a small portion of the administrative fees for ported out vouchers: Initial housing authorities must pay 80% of 80% of the administrative fees to the receiving housing authority. For Brown County, this means that \$30.16 is paid to the receiving housing authority, while we retain only \$16.96. While the initial staff work is less to process a voucher that is porting out, there is a process staff must undertake each month for each billed voucher, so there are still staffing costs to account for.

Sup. A. Nicholson inquired where the vouchers port to. ICS staff explained that being a nation-wide program, a family could choose to port their voucher anywhere in the country, however, two of the housing authorities that ICS ports many vouchers to include Hennepin County in Minnesota and Chicago Housing Authority.

Sup. A. Nicholson stated that it seems that Brown County has more vouchers than it needs and inquired who determines how many vouchers a housing authority receives, how that number is determined, how Brown County obtained the number it has, how and when those numbers are reallocated, etc. R. Strong explained that some of the reason for the number of vouchers stems from the fact that Brown County was a pilot program when the

Experimental Housing Program began. D. DeWitt added that HUD does not analyze need and reallocate vouchers among housing authorities. D. DeWitt also reiterated that although Brown County may in theory have 3,381 vouchers, it is important to keep in mind that housing authorities can only issue as many vouchers as their budget authority allows, therefore the number of vouchers in use in Brown County for February was 3,064. Staff also explained that there is indeed a need for vouchers in Brown County demonstrated by the length of the waiting list, which is currently approximately 9-12 months. Sup. A. Nicholson asked for the contact person and phone number for someone at HUD as he'd like to discuss this with them directly. R. Hallet agreed to provide him with this information.

Discussion continued regarding the federal regulations for portability and the efforts ICS has taken to address this within our local abilities. D. Payne explained that in 2010 she gathered a large amount of data which was shared with HUD regarding the impact of portability on the program; however, to date HUD has not made any changes to the regulations to reduce the burden on initial housing authorities when receiving housing authorities choose to bill. Sup. A. Nicholson requested the contact information for HUD so he may speak with them. R. Strong offered to speak with Antonio Riley, HUD's Regional Administrator for the Midwest.

T. Diedrick requested that ICS staff put additional information in writing to share with the commissioners prior to the next meeting so that commissioners can determine if they have further questions and forward such questions to ICS so they can be prepared to answer them at the next meeting.

NEW BUSINESS:

10. Discussion and possible action regarding sequestration funding cuts

R. Hallet explained that as the earlier communications from HUD indicate, HUD estimates that proration for voucher renewal funding will be 94.1% for Fiscal Year 2013. In addition, administrative fee prorations will be reduced to approximately 68.5%.

ICS and BCHA staff has discussed efforts to absorb the impact of these cuts. HUD has released several notices giving housing authorities discretion to streamline HCV family income reviews. R. Hallet explained that while some of these may be beneficial, others may not be worth the efforts required to implement them. R. Hallet further explained that these provisions from HUD are temporary through March 2014, so unless HUD decides to make them permanent, implementing some of these provisions only temporarily may be more detrimental by causing confusion among participants. However, there are some provisions which staff has decided would be beneficial and will be discussed in further detail in Agenda Item #11.

R. Hallet also indicated that both she and M. Roberts have participated in a telephone conference sponsored by Nan McKay & Associates which provided suggestions to housing authorities regarding changes they could make in their operations in order to streamline processes or save funding, both Housing Assistance Payment funding as well as Administrative Fees. R. Hallet was pleased to report that BCHA and ICS already have in place many of the suggestions that were provided, demonstrating that we are ahead-of-the-game compared to some other housing authorities. However, staff did learn of several suggestions which they will be exploring and discussing further.

R. Strong indicated that we are fortunate to have reserves available, so we are in a better situation than some. We are not in a position where we need to make any drastic changes immediately but will continue to watch the funding situation and will have discussions to determine what changes we may need to make in the future.

11. Approval of revisions to Chapter 6 (Income and Subsidy Determinations) and Chapter 11 (Reexaminations) of Administrative Plan

P. Leifker explained that the revisions proposed to Chapters 6 and 11 are some of the temporary HUD provisions we have decided to implement immediately to increase efficiency and reduce costs. This change relates to streamlining annual reexaminations for elderly and disabled families on fixed income. He explained that the verbiage proposed to the Administrative Plan is taken directly from HUD's notice regarding this provision. He summarized that since families on fixed incomes generally have predictable and infrequent changes to their income, HUD is allowing housing authorities to streamline reexams for such families. For families in which 100% of their income is from a fixed income source, the housing authority may apply the published cost of living adjustment to the previously verified income amounts. This eliminates the need for ICS to send third party verification requests or to follow up with participants to provide needed verification. The greatest impact will be for participants who receive State SSI as that benefit amount never changes.

P. Leifker explained that the same language would be used in both of these chapters of the Administrative Plan, but these two chapters are different in that Chapter 6 addresses anticipating annual income, whereas Chapter 11 is regarding conducting annual reexaminations.

R. Hallet added that the phrase "expires March 31, 2014 unless renewed by HUD" has been added to these sections to eliminate the need to come back for Authority approval in the future if HUD decides to renew this provision or make it permanent.

A motion was made by Sup. A. Nicholson and seconded by A. Hartman to approve revisions to Chapter 6 and Chapter 11 of the Administrative Plan. Motion carried.

INFORMATIONAL:

None

BILLS:

R. Hallet read off the bills, which include:

- VandeCastle Law for \$693.51 for fraud small claims actions;
- John Heugel for \$1,035.00 for legal fees for the ICS/BCHA contract;
- Two fraud repayment participants in which tax interceptions were taken of incorrect amounts, so we owed them back \$194.81 and \$10.00, respectively; and
- City of Green Bay for \$272.68 for hotel costs for training and office supplies.

A motion was made by Sup. A. Nicholson and seconded by A. Hartman to approve the bills. Motion carried.

FINANCIAL REPORT:

None

STAFF REPORT:

R. Strong reported that second interviews for the Senior Accountant position would take place later this week. Hopefully we will have a new staff person in place within a few weeks.

A motion was made by Sup. A. Nicholson and seconded by A. Hartman to adjourn. Motion carried.

Meeting adjourned at 4:42 p.m.

rah:ejns